

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 3300 - HB 3658

February 23, 2012

SUMMARY OF BILL: Authorizes insurers to accept a physician's letter as verification that a member's medical condition makes it unreasonably difficult or medically inadvisable for the member to participate in a voluntary wellness program, and that a reasonable alternative standard for receiving an incentive or reward should be developed.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will not result in a significant change in the cost of health insurance premiums for individuals who are not able to participate in a voluntary wellness program and for whom a reasonable alternative is developed.

Assumptions:

- According to the Department of Commerce and Insurance, this bill will not create additional responsibilities or significantly change the current regulatory, administrative, or enforcement activities of the Department.
- According to the Department of Finance and Administration, this bill codifies current practice. Therefore, the impact to state government is not significant.
- Private sector health premium impact: The provisions of the bill do not mandate health insurers to provide or implement wellness programs and will only impact plans that currently offer voluntary wellness plans. Plans that do provide voluntary wellness programs may develop alternatives for enrollees whose medical condition makes it difficult to participate. Any costs incurred for the plan to develop alternatives will not result in a significant increase in the rates within private health insurance networks. Without a significant rate increase, premiums will not significantly increase.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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